

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7859

BILL NUMBER: HB 1007

NOTE PREPARED: Jan 24, 2003

BILL AMENDED: Jan 23, 2003

SUBJECT: Technology centers and parks.

FIRST AUTHOR: Rep. Hasler

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State and Local

STATE IMPACT	FY 2003	FY 2004	FY 2005
State Revenues			
State Expenditures		4,000,000	4,000,000
Net Increase (Decrease)		(4,000,000)	(4,000,000)

Summary of Legislation: (Amended) This bill establishes the Technology Development Grant Fund and program. It provides appropriations for the Technology Development Grant Program from securitized payments received under the Tobacco master Settlement Agreement. The bill also defines "operating expenditures" for purposes of technology development grants. The bill specifies the purposes for which the Department of Commerce may provide technology development grants. The bill provides that the annual distribution of a technology development grant for operating expenditures may not exceed a percentage of total operating expenditures in a particular fiscal year. It removes limitations on the establishment of certified technology parks.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) The bill appropriates \$4 M annually in FY 2004 and FY 2005 from securitized payments received under the Tobacco Master Settlement Agreement for grants to local redevelopment commissions that establish technology parks. The Energize Indiana Technology Grant Fund is created to receive these payments. The Fund shall be administered by the Indiana Department of

Commerce. Money in the Fund at the end of a fiscal year does not revert to the General Fund. If the Authority has insufficient money to make the total amount of transfers required by law for any fiscal year, the Authority will make transfers for that fiscal year as directed by the State Budget Agency after review by the Budget Committee. The bill limits total grants for a particular technology park to \$2 M for leasing, construction, and purchase of capital assets and \$2 M for operating expenditures.

The bill removes the requirement that a certified technology park application demonstrates a firm commitment from at least one business engaged in high technology activity creating a significant number of jobs.

Explanation of State Revenues: The bill also removes the limitation that no more than \$5 M may be deposited in an Incremental Tax Financing Fund for a certified technology park over the life of the park. This change could potentially increase the incremental sales and use tax and adjusted gross income tax revenue from technology parks deposited in these incremental tax financing funds.

Explanation of Local Expenditures:

Explanation of Local Revenues: Removing the lifetime \$5 M limitation deposits in incremental tax financing funds of certified technology parks could potentially increase the incremental revenue from local option income taxes collected from park employees that is deposited in the incremental tax financing funds.

State Agencies Affected: Department of Commerce, State Budget Agency, Indiana Development Finance Authority.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jim Landers, 317-232-9869.